



March 2009

# Home Matters

Member FDIC



## 2009 First-Time Home Buyer Tax Credit of \$8,000

Amidst all the gloom-and-doom stories that are dominating today's headlines, there is good news for first-time home buyers. Unlike last year's \$7,500 First Time Home Buyer Tax Credit, the 2009 tax credit is the homeowner's to keep with no repayment required. And it has been increased to \$8,000. Now that's a win-win.

Established as part of the new economic stimulus package, this refundable tax credit reduces the new homeowner's tax, dollar for dollar. The credit may even reduce their total tax to a negative number, which means they could get a tax refund. For example, if a homeowner is supposed to pay \$5,000 in tax, the \$8,000 tax credit completely wipes out the tax burden and results in a \$3,000 refund.

### Details on the credit

- The credit is for \$8,000 or 10% of the home's value, whichever is less.
- It applies to homes purchased January 1, 2009 through November 30, 2009.
- The home must be kept for three years.
- Buyer must not have owned a home for the past three years.
- The credit is available for modified adjusted gross incomes below \$95,000 for single and \$170,000 for couples.



We understand this tax credit is designed specifically for first time homebuyers, and you may not fall into this category. Please let your family and friends who are looking to purchase their first home know about this great opportunity. The money



Check out our Podcasts about mortgage loans and many other topics at [ubt.com](http://ubt.com).

they save could be used for putting their personal touch on the home after filing next year's taxes. They can look forward to purchasing new appliances, furnishings, window treatments and landscaping.

If you or your those you know have any questions, or are ready to get started, contact me at 323-1617.

*\*This material is intended to provide accurate information, but does contain summary explanations. You should consult your tax and/or investment advisor.*

## A Message from Kelly

Hello everyone! It is hard to believe that it is the middle of March and Spring is just around the corner! This year is passing by quickly. The Novotny family just got back from a family vacation to Grand Lake, CO. It was a great time for all of us. We enjoyed snowmobiling, skiing (first time for the boys) and dog sledding. I must say the boys truly loved it all. They did not want to come back home.



In the mortgage world, it has been quite a crazy and exciting time. Although there has been a lot of negativity in the news, it is a fabulous time to purchase a home or take a look at refinancing. With rates being lower than they were in 2003, now is the time to take advantage of some great opportunities. First time buyers get the same great rates and a hefty tax credit to boot!

If you have questions regarding a purchase or refinance please feel free to contact my team at 323-1617. We are all glad to help you!



## Basement Basics

The functionality of a basement is practically limitless; it can be used for a home theater, playroom, recreation area, exercise / home gym, office space, pretty much anything based on your lifestyle.

If you're considering taking on finishing or remodeling your basement, here are a few key points to keep in mind:

### Lighting & Paint

Because basements are below ground, a lack of light can be a problem. Choosing lighting and paint colors that liven up the room can be beneficial. If wiring is too much of a challenge, stylish floor lamps are an excellent option.

### Flooring

Basement temperatures tend to be lower than the rest of the home. Carpet will help warm up the space, but be cautious of the risk of flooding. Laminate flooring is affordable, easy to clean and easy to replace. Or simply use the existing concrete floor for a play space, art studio or home gym.

### Know Your Limits

Since the basement is not directly visible to visitors, it can be a work in progress for do-it-yourselfers. It's important to think about the parts of your project that your skills are best suited to handle.

Take on as much of the project as you can. If you need a professional's help finishing certain portions of the project, hire the work out. You'll still save money, get the results you want, and have the sense of accomplishment knowing you had a hand in completing the work.

## New Rules Shift IRA Thinking

Keeping up with the ever-changing world of Individual Retirement Accounts (IRAs) is a challenge for most investors. Regulations change often, and proposed changes have become quite common in today's economic environment.

One regulation change that will go into effect on January 1, 2010 provides a great opportunity for investors to plan for today. A Conversion is a taxable, reportable movement of funds from a pre-tax account, like a Traditional or SEP IRA to a Roth IRA. Currently, individuals with a Modified Adjusted Gross Income (MAGI) over \$100,000 or those whose tax filing status is Married Filing Separately are ineligible from making a Conversion.

Starting in 2010, those two restrictions are lifted making all individuals eligible to complete a Conversion. Individuals who may benefit from this new option are those who have made non-deductible contributions to a Traditional IRA. All individuals with earned income are eligible to make a contribution to a



Traditional IRA, but not all contributions are deductible. By converting these funds to a Roth IRA you and your beneficiaries will be able to take advantage of the Roth IRA distribution rules in the future, including no required minimum distributions and tax-free earnings.

Current market conditions make this a great time to stretch your investment dollars. Evaluate your current investments and explore other investment options to help you reach your retirement goals. Let us know if we can help.

Investment products:  
No Bank Guarantee - Not FDIC Insured - May Lose Value

## Put Your Home to Work For You

Now is the time to get going on your home improvement project, a new car,

debt consolidation or education expenses with a home equity loan from Union Bank.

**5.99%**  
Fixed APR\* for 5 years

- No prepayment penalty
- No payments for first 90 days
- Interest may be tax deductible\*\*
- Other terms and rates available

\*Example: \$10,000 loan with 90 days to first payment and an annual percentage rate of 5.99% would result in 58 monthly payments of \$153.80 & 1 payment of \$152.78. The 5.99% APR is based on a total of 60 monthly payments, an 80% loan-to-value ratio, an automatic loan payment from a Union Bank checking account and our standard underwriting guidelines. Some other restrictions may apply. Property insurance is required. The minimum loan amount is \$2,500 in new money and the loan must be secured by an owner occupied dwelling. \*\*Consult your tax advisor on the deductibility of interest.



# Fitting In Fitness

Finding time for physical activity can be tough. In fact, “not enough time” is one of the most commonly cited reasons for skipping workouts. So, how do the busiest of people still find time for fitness? The key is making it convenient. Consider these strategies for fitting fitness into your day.

## Morning workouts

Wake up 30 minutes earlier than you normally do and use the extra time to walk on your treadmill or take a brisk walk around the neighborhood. There are fewer distractions in the morning and you don't have to worry about meeting conflicts or kids activities.

## Walk the dog

Take Fido for a walk. Your dog needs the exercise too. Not only will you both benefit from the added physical activity, dogs are one of the best exercise partners. They are always ready for a workout and never complain or come up with excuses. Offer to take your neighbors or relatives dog for a walk if you don't have one.

## Active commuting

Walk or bike to work. If you ride the bus, get off a few blocks early and walk the rest of the way. Not only will you be getting exercise, you'll be saving gas money and reducing environmental pollutants produced by your vehicle.

## Commercial breaks

While watching your favorite soap or prime time drama, use the commercial breaks to get fit. Perform squats, lunges, crunches or other strength moves that use your body weight. Run up and down the stairs, resting every second commercial. Make it a competition with your family members to keep it fun. You could even stretch while the show is on.

## Daily chores

Mop the floor, scrub the bathtub or do other housework at a faster pace. These can be a great workout if you get your heart pumping and your rate of breathing increases. Outdoor work counts, too. Mowing the lawn with a push mower, shoveling snow, or plowing the garden are great ways to burn calories.

## Work breaks

Rather than hanging out in the lounge during your breaks, take a short walk.

You'll be less tempted by the coffee and doughnuts. Use your lunchtime to get a quick workout at the gym. Keep a pair of walking shoes at your desk or in your car so that you're ready

when you find a few minutes free.

## Family fun

There are many fun activities that you can do with your family that involve fitness. Take your family to a local park, on a trip to the zoo, or for a family bike ride. Local parks and recreation programs frequently offer free or low cost recreation options including pools, tennis and basketball courts, and scenic trails to hike. This is also great opportunity to teach your children the importance of physical activity.

## Errand running

Park toward the back of the lot at the shopping mall or grocery store. Walk up and down every aisle or take an extra lap around the mall for some added steps. If the post office is within walking distance of your office, walk instead of drive. Take the stairs whenever you can.



# Convenience Close @ Hand

With everything you have going on in your life, wouldn't it be nice to have your banking information available anytime, anywhere? Technological advancements allow us to bank over the internet or our cell phones safely and conveniently.

If you are near a computer, banking online offers several user-friendly, environmental and even cost-saving advantages over traditional banking. Once you've securely logged in, you can access a full year of statements, transfer funds between accounts and pay your bills. You can even print a copy of a check that has cleared the bank as proof of payment. Enrolling in e-Statements and paying bills online decreases paper usage as well as your need for stamps.

Not near a computer, but want to check your account? Banking from your cell phone is a growing trend. You get the same instant access to your account in a compact, easy-to-use format. From checking balances and transactions to receiving alerts if your account falls below a certain dollar amount, Mobile Banking gives you the instant access to your funds. Check with your cell phone provider to see if your phone is considered a “Smart Phone,” or able to receive a hyperlink through a text message.

For more information on these helpful online tools and more, visit [ubt.com](http://ubt.com).

## Inspiring Thoughts

*“We must learn to live together as brothers or perish together as fools.”*



# Free Shred Day Helps You Protect Your Identity, Fight Fraud

Union Bank & Trust Company is teaming up with Paper Tiger, an on-site shredding and recycling company, to hold a free Community Shred and provide helpful information about preventing identity theft.

Paper Tiger mobile shredding trucks will shred **up to 50 pounds** of personal documents for free. Experts from Union Bank & Trust will be on hand to offer tips for consumers to protect themselves against identity theft.

Identity theft continues to be one of the fastest growing forms of consumer fraud. Union Bank is committed to educating the community about preventing identity theft by encouraging proper



**Saturday, April 18 | 9:00am to 12:00pm**  
Union Bank's 27th & Pine Lake location  
(6801 S. 27th St.)

destruction of bills, bank statements and other personal documents rather than disposing of them in a non-secure place such as garbage bags or recycling bins where they can be stolen.

Kevin Keller, First Vice President of Marketing, says of the event, "Union Bank is committed to supporting Lincoln through community involvement projects, donations, special events and education. Shred Day addresses an increasing threat—identity theft—and is

aimed at educating people in Lincoln to protect themselves against this threat."



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